



UNITED STATES SENATOR · MICHIGAN
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**U.S. Senate to Debate Public Accounting
Reform and Investor Protection Act**

Legislation Based on Issues Brought to Light in Wake of Enron Collapse

WASHINGTON—The U.S. Senate today continues to debate important legislation that will address needed reforms brought to light by the collapse of the Enron Corporation. Based in part on legislation introduced in the Senate Banking Committee in March by Senators Chris Dodd (D-CT), Jon Corzine (D-NJ) and Debbie Stabenow (D-MI), the Public Company Accounting Reform and Investor Protection Act (S.2673) is expected to receive bipartisan support.

“The collapse of Enron and the ongoing investigations into WorldCom have made it very clear that we must act quickly to regulate the accounting industry and protect American workers and investors,” said Stabenow. “The legislation we are debating today sets forth a comprehensive plan to provide independent oversight of the accounting industry and allow investors access to reliable information about the public corporations in which they choose to invest. I am hopeful that this act will receive the full support of my colleagues.”

Included in the Public Accounting Reform and Investor Protection Act is an amendment by Senator Stabenow to help corporate whistle blowers. Stabenow’s amendment will require for the first time that employees are provided with an outlet through which they can confidentially and anonymously report concerns about auditing practices.

“While Enron and WorldCom are the most striking examples of the harm done by corporations that would promote financial gain over ethical accounting practices, they are not alone. I believe that my corporate whistleblower amendment is an important step in providing employees with safe outlets to report such corporate wrongdoings while reducing the fear of retribution from their employer,” said Stabenow.

The Public Company Accounting Reform and Investor Protection Act would:

- Establish for the first time an independent public accounting board, under the oversight of the Securities and Exchange Commission (SEC,) with the ability to set and enforce audit quality and auditing standards
- Enhance scrutiny on mixing of auditing and consulting services
- Work to ensure that the board which sets accounting standards in the United States has a reliable source of funding through SEC fees
- Significantly increase the funding of the SEC to enable it to improve oversight of public accounting
- Increase financial disclosures, as well as information about stock sales by corporate leaders, so the investing public has better information about the financial health of companies